



General Assembly

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Sixtieth session

Agenda items 46, 119, 120, 122 and 124

Proposed programme budget for the biennium 2006-2007

Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields

Strengthening of the United Nations system

Follow-up to the outcome of the Millennium Summit

Review of the efficiency of the administrative and financial functioning of the United Nations

Implementation of decisions from the 2005 World Summit Outcome for action by the Secretary-General

Ethics office; comprehensive review of governance arrangements, including an independent external evaluation of the auditing and oversight system; and the independent audit advisory committee (A/60/568 and Corr.1 and 2)

Twenty-fourth report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. As indicated in paragraph 10 of its report on the revised estimates relating to the 2005 World Summit Outcome (A/60/7/Add.13), on 28 November 2005 the Advisory Committee became aware of the report of the Secretary-General contained in document A/60/568 and Corr.1 and 2. In that report, the Secretary-General proposed that the General Assembly may wish, inter alia, to approve the establishment of an ethics office, the conduct of an independent external evaluation of governance, oversight and auditing in the United Nations system and the establishment of an independent audit advisory committee and its mandate, composition, selection process and qualifications of experts, as set out in his report.



2. At the time that the Advisory Committee became aware of the report of the Secretary-General, it was nearing the end of its deliberations on the revised estimates relating to the 2005 World Summit Outcome. In its report on the revised estimates, the Committee expressed the conviction that it should have been given an opportunity to study the report of the Secretary-General carefully, have an exchange with his representatives and submit its views to the General Assembly, because the report might have an impact on the revised estimates. However, the Committee was informed that the report of the Secretary-General would be considered directly in informal consultations of the plenary. In a letter dated 9 December 2005 (A/C.5/60/19), the President of the General Assembly transmitted the report of the Secretary-General for consideration by the Fifth Committee, through the Advisory Committee.

II. Ethics office

3. In paragraph 161 (d) of the 2005 World Summit Outcome, the General Assembly requested the Secretary-General to submit details on an ethics office with independent status, which he intends to create, to the Assembly at its sixtieth session. An overview of the functions, responsibilities, structure and organizational location of an ethics office are contained in the report of the Secretary-General (A/60/568, annex I), while resource requirements are contained in the report of the Secretary-General on revised estimates to the proposed budget for the biennium 2006-2007 (A/60/537).

4. In his report (A/60/568), the Secretary-General appears to replace his intention to create the office with a proposal for approval by the General Assembly. The Advisory Committee commented on this matter in some detail in paragraphs 9, 10, 17 and 18 of its report on the revised estimates (A/60/7/Add.13).

5. The Advisory Committee notes from the aforementioned letter of the President of the General Assembly (A/C.5/60/19) that at the conclusion of informal consultations of the plenary held under the auspices of two co-Chairs in charge of Secretariat and management reform, the following was stated with regard to an ethics office:

“...while there were several comments on the details of the ethics office, there is agreement on the decision to create the ethics office. This proposal has also been considered by the Advisory Committee on Administrative and Budgetary Questions and will be finalized in the context of the budget process.”

The Committee considers that the comments it has made on resource requirements for the ethics office in its report on the revised estimates remain valid.

6. The recommendations of the Advisory Committee on staffing and other requirements for an ethics office take into account the primacy of the Secretary-General in this area, the considerable effort already being expended by existing units of the Secretariat, the fact that a good deal of the financial disclosure workload of the office will, at least for the short term, be outsourced and the fact that it is not yet possible to predict the remaining workload of or possible redeployments to the office. In brief, the Committee recommends that the ethics office be headed by a staff member at the D-2 level, rather than at the Assistant Secretary-General level,

since it is the Secretary-General who must provide leadership and guidance in this area. In paragraphs 22 to 25 of its report, the Committee also recommended reductions in the proposed staffing levels of the office. Among other things, the Committee recommended that some of the staffing requirements could be accommodated through general temporary assistance and that the regional liaison offices not be established at this stage, but that these matters be revisited in the light of experience.

7. Included in the estimates for the ethics office is an amount of \$1.1 million for consultants to carry out the review of financial disclosure forms. **The Advisory Committee reiterates a request previously made to the Secretariat that a full breakdown and a full justification of this amount be provided to the General Assembly so that the resource proposals in the report of the Secretary-General on revised estimates (A/60/537) can be fully considered.**

8. On the matter of standard-setting, while the Advisory Committee understands that there will be input on standards of ethical conduct from many parts of the United Nations system, which may reflect different cultural approaches, it trusts that a common standard will be developed to be applied system-wide, leading to a system-wide code of conduct for all United Nations personnel.

9. The Advisory Committee expects that in the follow-up report requested in paragraph 11 of its report on revised estimates (A/60/7/Add.13), the Secretary-General will provide further details on the various activities carried out by different organizational entities within the Secretariat with regard to ethics, as well as other issues raised in its report on revised estimates, including the operation of the whistle-blower protection policy, which the Committee is now informed has been finalized.

III. Comprehensive review of governance arrangements, including an independent external evaluation of the auditing and oversight system

10. In response to paragraph 164 (b) of the 2005 World Summit Outcome, the Secretary-General has prepared terms of reference for a comprehensive review of governance arrangements, including an independent external evaluation of the auditing and oversight system within the United Nations and its funds, programmes and specialized agencies (A/60/568, annex II) for approval by the General Assembly.

11. Under the above-mentioned proposed terms of reference, the report is to consist of a governance and oversight review, to be completed within two phases, and a review of the Office of Internal Oversight Services (OIOS). The Committee notes that a separate review of OIOS does not specifically emanate from the 2005 World Summit Outcome. **Nevertheless, the Committee is of the opinion that this review is necessary and recommends that it should proceed forthwith.**

12. In paragraph 8 of his report, the Secretary-General proposed that the review should be carried out by consultants. The Advisory Committee understands that it would be a firm of consultants or firms, instead of individuals. **The Committee**

expects that the selection process will be fully transparent and compliant with established procedures for international competitive bidding.

13. As indicated in paragraphs 9 to 13 of the proposed terms of reference (A/60/568, annex II), a steering committee, to be composed of five internationally representative independent experts, is to be established by the Secretary-General, with responsibility for coordinating and supervising the development and implementation of the entire project. Progress reports on each phase of the study are to be submitted to the steering committee. The steering committee will submit the reports on governance and oversight to the Secretary-General and Executive Heads of participating agencies, funds and programmes and the review of OIOS to the Under-Secretary-General for Internal Oversight Services. Subsequently, the steering committee will submit the full report to the Secretary-General for transmission to the General Assembly. The steering committee is to work in full consultation with OIOS, the Panel of External Auditors (including the Board of Auditors), the Joint Inspection Unit and the High-level Committee on Management, as necessary.

14. The Advisory Committee was informed that the establishment of a steering committee to oversee this type of study represented best practice. **The Committee is concerned that the responsibilities and functions of the steering committee, as contained in paragraphs 9 to 12 of the proposed terms of reference, are not clearly spelled out. It is not evident, for example, what coordination and supervision of the project by the steering committee will entail, nor how actively the steering committee is to be involved in the independent evaluation itself.** Upon enquiry, the Committee was informed that it is expected that the consultants that are to carry out the review will interact with the steering committee. **The Committee points out that, as the steering committee is to be established by the Secretary-General, its active involvement in the evaluation could be seen to compromise the independence of the evaluation. The Committee therefore recommends that the language of section III.C of the terms of reference be revised to reflect the specific tasks foreseen for the steering committee.**

15. The Advisory Committee notes from paragraph 15 of the proposed terms of reference that the first phase report on governance and oversight and the report on OIOS are required by April 2006. The final consolidated report is to be completed by 31 May 2006. **Although the Committee recognizes the size and complexity of the task ahead, it trusts that every effort will be made to adhere to this timeline, while ensuring the quality of the review and avoiding disruption of the work of the Secretariat.**

IV. Provisional terms of reference for the independent audit advisory committee

16. By paragraph 164 of the 2005 World Summit Outcome, the General Assembly, *inter alia*, emphasizes the importance of ensuring the operational independence of OIOS and requests the Secretary-General to submit detailed proposals on the creation of an independent oversight committee, including its mandate, composition, selection process and qualification of experts. In response to this request, the Secretary-General has submitted provisional terms of reference for a body, which he proposes be called the independent audit advisory committee, for approval by the

General Assembly (see A/60/568, para. 10, and annex III, and A/60/7/Add.13, paras. 26 and 27).

17. The Advisory Committee points out that the proposed independent audit advisory committee is to be an integral part of governance arrangements at the United Nations, which would include a previously established internal oversight committee. The findings of the governance review could have a significant impact on the functions, mandate and terms of reference of the proposed committee. The Committee therefore recommends that the creation of the independent audit advisory committee and the elaboration of its terms of reference be deferred until the governance review is completed.

18. The Advisory Committee is of the opinion that the establishment of operational and budgetary independence for OIOS is of utmost importance and that it does not depend on the creation of an independent audit advisory committee. Accordingly, the General Assembly may wish to request that the evaluation proposed in the report of the Secretary-General (see A/60/568, annex II, sect. II, para. 5 (c) (iii)) be expedited so that the requisite operational and budgetary independence of OIOS can be ensured. Until this has been completed, the Assembly, as an interim measure, may wish to authorize OIOS to submit its budget to the Assembly through the Committee. This is particularly relevant given the fact that a revised budget proposal for OIOS for 2006-2007, reflecting the approach of the recently appointed Under-Secretary-General for Internal Oversight Services, is to be presented during the resumed sixtieth session.



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Agenda item 124

Proposed programme budget for the biennium 2006-2007

Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council

Twenty-fifth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on estimates in respect of special political missions, good offices and other initiatives authorized by the General Assembly and/or the Security Council (A/60/585).
2. The Committee recalls that the General Assembly in its resolution 59/278 of 23 December 2004 on the proposed programme budget outline for 2006-2007, decided to include a provision of \$356 million for special political missions related to peace and security expected to be approved or extended in the course of the biennium 2006-2007 (see also A/59/600, paras. 7 and 10-11).
3. The report of the Secretary-General presents the estimated resource requirements for 26 special political missions listed in the report (A/60/585, table 1, section I). These include 25 political offices, peacebuilding missions and sanctions panels authorized by the Security Council and one political mission (Special Envoy of the Secretary-General for Myanmar) authorized by the General Assembly. As regards the latter, the Advisory Committee notes that the requirements are included in the report, as requested by the Committee (see A/57/7/Add.17, para. 5), although the related proposed requirements are under separate consideration by the General Assembly, as it examines the pertinent statement of programme budget implications (see A/C.5/60/17 and the related report of the Advisory Committee (A/60/7/Add.17)). Some of the missions have had their mandates extended into the next biennium or are expected to be extended, as indicated therein. The Committee further notes that six missions are discontinued for 2006, as they have been transformed into peacekeeping missions (United Nations Mission in Côte d'Ivoire, United Nations Office in Burundi, United Nations Advance Mission in the Sudan) or have reached completion (United Nations Observer Mission in Bougainville, United



Nations Verification Mission in Guatemala, Central American peace process (see table 1, section II).

4. The total estimated requirements for the period from 1 January to 31 December 2006, as shown in tables 1 and 2 of the Secretary-General's report, amount to \$280,803,200. The Committee notes that the resources proposed cover funding until 31 December 2006 for all political missions except two, namely, the United Nations Assistance Mission in Afghanistan (UNAMA) and the United Nations Office in Timor-Leste (UNOTIL), whose budgets are proposed for 3 months and 4.75 months, respectively, as it is anticipated that the mandate of UNAMA will change substantially in March 2006 and that UNOTIL will not be extended after the completion of its current mandate. Accordingly, the General Assembly is requested to approve an amount of \$280,803,200 against the provision for special political missions, while noting that the balance of resources remaining for special political missions in the initial provision of \$355,949,300 amounts to \$75,146,100; any further requirements arising for special political missions in the course of the biennium 2006-2007 would be subject to the provisions of Assembly resolution 41/213 of 19 December 1986.

5. The Advisory Committee expresses its concern at the submission of a proposal of such magnitude so close to the end of the year. The Committee reiterates the need for this report to be submitted earlier, to allow for a more in-depth consideration of the proposals. The Committee does not wish to restrict the ability of the Secretary-General to react in a timely manner with regard to the missions referred to in his report. However, there are a number of aspects of this matter that require a more detailed review by the Committee.

6. In view of the above, the Advisory Committee recommends that this matter be deferred pending a detailed review by the Committee of the programme and financial aspects of the proposals in February 2006 and subsequent action by the General Assembly. In the meantime, the Committee recommends approval of a charge of \$100,000,000 against the provision for special political missions under section 3 of the proposed programme budget for the biennium 2006-2007. This should be sufficient to allow the continued functioning of the missions until the end of April 2006. Furthermore, the Committee recommends that no action be taken to fill additional posts or implement reclassifications, with the exception of staff required to meet the most urgent needs of the United Nations Integrated Office in Sierra Leone, which was established by the Security Council in resolution 1620 (2005) to assist the Government after the withdrawal of the United Nations Mission in Sierra Leone at the end of 2005. However, this exception in no way implies consideration or approval of the total number of posts or positions or their grades proposed for this new mission.

7. Bearing in mind its comments in the paragraphs above, and pending its in-depth consideration of the matter in February 2006, the Advisory Committee recommends approval of a charge of \$100,000,000 for the period from 1 January to 30 April 2006 for the 26 missions dealt with in the report of the Secretary-General against the provision for special political missions requested under section 3 of the proposed programme budget for the biennium 2006-2007.



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Proposed programme budget for the biennium 2006-2007

**Integrated and coordinated implementation of and follow-up
to the outcomes of the major United Nations conferences and
summits in the economic, social and related fields**

Follow-up to the outcome of the Millennium Summit

The Peacebuilding Commission

Programme budget implications of draft resolution A/60/L.40

Twenty-sixth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee has considered the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the programme budget implications of draft resolution A/60/L.40 (A/C.5/60/22). The Committee received the statement at 10 a.m. on 16 December 2005.
2. Under the terms of draft resolution A/60/L.40, the General Assembly would, inter alia, decide, acting concurrently with the Security Council, in accordance with Articles 7, 22, and 29 of the Charter of the United Nations, to establish the Peacebuilding Commission as an intergovernmental advisory body and would reaffirm its request to the Secretary-General that he establish, within the Secretariat, from within existing resources, a small peacebuilding support office staffed by qualified experts to assist and support the Commission.
3. In its report on revised estimates relating to the 2005 World Summit Outcome (A/60/7/Add.13 and Corr.1 and 2), the Advisory Committee had recommended that the General Assembly defer consideration of resource requirements for a small peacebuilding support office until the deliberations on the arrangements for the Peacebuilding Commission had been concluded. The Committee had also indicated that when these deliberations were concluded a statement of programme budget implications should be issued in accordance with rule 153 of the rules of procedure of the General Assembly.



4. In his statement, the Secretary-General indicated that the programme budget implications would be the same as those contained in his report on revised estimates (A/60/537). In this connection, the Advisory Committee recalls that the revised estimates had contained a proposal for an additional requirement of 21 posts, as follows:

- *One Assistant Secretary-General*
- *One D-2*
- *One D-1*
- *Three P-5 posts*
- *Five P-4 posts*
- *Five P-3 posts*
- *One General Service (Principal level) and four General Service (Other level) posts*

5. The Advisory Committee recalls that in its previous report it had indicated that no detailed description of the functions of the requested posts had been provided (A/60/7/Add.13 and Corr.1 and 2, para. 35). The Committee had also noted that the Secretary-General had already taken interim steps to set up a start-up element of the office, using posts currently available, so as to ensure that it would be in a position to prepare for the pending establishment of the Peacebuilding Commission.

6. **The Advisory Committee points out that the Secretary-General is maintaining his previous proposal despite the reaffirmed request that a "small peacebuilding support office" be established from "within the existing resources".** The Committee recommends that the General Assembly decide that, in view of the requirement that the office be staffed from within the existing resources, there should not be any additional appropriation under section 3, Political affairs, of the proposed programme budget for 2006-2007 at the present stage.

7. In making its recommendation, the Advisory Committee is fully cognizant of what it stated in paragraph 67 of its first report on the proposed programme budget for 2000-2001 (A/54/7), in which it expressed the view that it is the responsibility of the Secretariat to inform the General Assembly thoroughly and accurately about whether there are enough resources to implement a new activity. In the case at hand, while the Secretary-General is within his right to inform the Assembly that he believes that additional resources are necessary, it is incumbent upon him to fully justify that position, with a full analysis of the possibilities for absorption and redeployment. In this regard, the Committee has been informed that, in view of the novel functions of the envisaged support office, it is not possible to utilize existing Secretariat capabilities to staff it. The Committee is not convinced by this explanation and points out that there is no evidence of a sufficient attempt to redeploy resources or otherwise accommodate this activity from within existing resources (see A/60/7/Add.13 and Corr.1 and 2, para. 13). In the opinion of the Committee, the Secretary-General should therefore be requested to revisit the matter and to submit a proposal that would be consistent with the intent of the Assembly.

8. The total estimate under section 2, General Assembly and Economic and Social Council affairs and conference management, of the proposed programme budget for the biennium 2006-2007 is, in the opinion of the Advisory Committee, still fluid and subject to change since the requirements for the Human Rights Council are still undetermined. Under the circumstances, the General Assembly may wish to consider that such additional resources as may be necessary for the Peacebuilding Commission be reported in the performance report; such an option was foreseen in paragraph 29 of the Committee's report on the revised estimates.
